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Tawa Associates Limited
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LETTER FROM THE CHAIRMAN

24 June 2015

Dear shareholders

At our Annual General Meeting today, our CEO, Gilles Erulin gave an update on various matters mentioned in my last letter to shareholders dated 6 May 2015 and this letter is by way of confirmation.

The sale of PXRE Reinsurance Company ("PXRE") to Catalina Holdings was completed on 27 May 2015. The Group's external borrowings were repaid on completion by the use of the net sale proceeds and the balance from working capital. As mentioned in November our cash has been increased following the successful conclusion of litigation with HMRC which allowed TAL to receive the incentive fees payable by associate CX Re and agreed back in 2006.

The sale process for CX Reinsurance Company Limited, now a wholly owned subsidiary, continues. We hope to have some news on the outcome by the end of the summer.

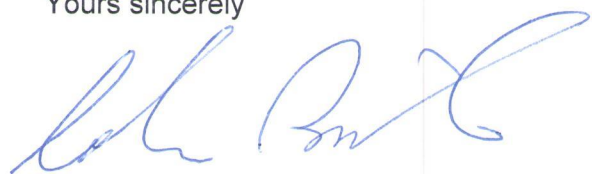
As previously reported the outcome of the various legal actions being conducted is material to the asset realisation process. In the last week we have settled one significant litigation matter being the proceedings issued against Pennsylvania National Mutual Casualty Insurance Company referred to in paragraph 8.2 of Part VI of the Tawa plc Demerger Circular issued on 20th December 2013. The terms of the settlement are confidential.

As you know it is our aim to maximise distributable value to shareholders. When the settlement proceeds are received by this company (they are due to be paid in US dollars to the primary claimant companies on or before 3rd July and will then need to be paid in Sterling to this company by way of intra-group dividends) we will have, subject to there being no major change to the US\$/GBP exchange rate, surplus cash equivalent to 10p per share

available for distribution to shareholders. We have been asked by certain shareholders whether we can effect distributions to shareholders by way of a return of capital rather than dividends. We estimate that we would be able to utilise distributable reserves equivalent to only 9p per share, so are now looking carefully at whether we can utilise a route to distribute the whole of the 10p per share by way of a capital return.

I will write again when we are ready to effect a distribution to shareholders.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'CG Bird', written in a cursive style.

CG Bird
Chairman